

## REVENUE DEPARTMENT[701]

### Notice of Intended Action

#### **Proposing rule making related to the flood mitigation program and providing an opportunity for public comment**

The Revenue Department hereby proposes to amend Chapter 238, “Flood Mitigation Program,” Iowa Administrative Code.

#### *Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code section 421.17.

#### *State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code section 418.13 as amended by 2018 Iowa Acts, House File 2258.

#### *Purpose and Summary*

During the 2018 Legislative Session, the Legislature added language to Iowa Code section 418.13 to specify that a governmental entity may use moneys from an account for reimbursements for funds advanced internally or to help make payments on bonds incurred to pay for projects approved by the Flood Mitigation Board before, on, or after July 1, 2018. These proposed amendments to rule 701—238.4(418) regarding the use of moneys from a flood mitigation fund reflect the statutory change.

#### *Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa. The Fiscal Note for 2018 Iowa Acts, House File 2258, estimates no impact to the General Fund and notes that the law change could have a positive fiscal impact for local governments.

#### *Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

#### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

#### *Public Comment*

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Department no later than 4:30 p.m. on January 8, 2019. Comments should be directed to:

Tim Reilly  
Department of Revenue  
Hoover State Office Building  
P.O. Box 10457  
Des Moines, Iowa 50306  
Phone: 515.725.2294  
Email: [tim.reilly@iowa.gov](mailto:tim.reilly@iowa.gov)

### *Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend paragraph **238.4(4)“c”** as follows:

*c.* ~~Requests for remittance shall be made for the amount of moneys in the governmental entity’s account necessary to pay the governmental entity’s costs or obligations related to the project, according to the sales tax revenue funding needs specified in the approved project plan.~~ A governmental entity shall not, however, during any fiscal year receive remittances under this rule exceeding \$15 million or 70 percent of the total yearly amount of increased sales tax increment revenue in the governmental entity’s applicable area and deposited in the governmental entity’s account or the annual maximum amount established by the board pursuant to Iowa Code section 418.9(4), whichever is less.

ITEM 2. Renumber subrules **238.4(5) to 238.4(7)** as **238.4(6) to 238.4(8)**.

ITEM 3. Adopt the following new subrule 238.4(5):

**238.4(5) Authorized expenditures.**

*a.* Requests for remittance shall be made for the amount of moneys in the governmental entity’s account necessary to pay the governmental entity’s costs or obligations related to the project, according to the sales tax revenue funding needs specified in the approved project plan.

*b.* Allowed costs or obligations under Iowa Code section 418.13(1) include the costs of the approved project, reimbursements for funds advanced internally or to help make payments on bonds incurred to pay for approved projects, and principal and interest on bonds issued under Iowa Code section 418.14.

ITEM 4. Amend rule **701—238.4(418)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code ~~section~~ sections 418.12 and 418.13.